

**BRISTOL MUSIC TRUST**

**TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2022**

Company Number: 07531978

Charity Number: 1140898

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## CHAIR'S REPORT

We have seen a year of continued significant disruption to activity from the COVID-19 pandemic. In the first quarter we were still operating under full lockdown. This started to be relaxed in May 2021, but we had very limited activity at Bristol Beacon (BB) until June/July 2021 with some rehearsals and workshops at Beacon Music Centre (BMC). By September we were seeing more external venue concerts and artistic and commercial activity in BB with some staff starting to return to work in our buildings. We held our first all staff meeting at the end of September, and this marked our real 'return to life'. There was another shorter lockdown in December 2021 but by the end of January 2022, BB commercial and artistic activity (both in the building and in external venues) had really started to get back to normal. The same is true at BMC where ensemble rehearsals and other teaching has been fully re-established face to face. We have continued a flexible approach to staff working in the buildings and this seems to be working well with most staff coming in 2 or 3 days per week.

We have taken the opportunity of limited activity in the buildings for the last 9 months of the year to pursue various maintenance and development projects. We started a foyer upgrade project in early 2022 to assess what we need to do to re-model the box office area and upgrade the other foyer areas to match the redeveloped facilities. This will help us to meet our ambitions to be accessible and welcoming to all our community. A lighting upgrade is also being undertaken in parallel to this. At BMC we have made significant improvements to internal room access to make the facilities more suitable for activities for special needs groups.

Despite the challenges, we have had a number of notable highlights this year. We were able to livestream two concerts by the London Symphony Orchestra (LSO) under Sir Simon Rattle to care homes around the country thanks to the generous support of Geoff Crocker of Bristol Care Homes. We embedded our name change through a new brand across the business developed in partnership with Saboteur and Rising Arts Agency and launched in September 2021. We were excited to secure an award-winning live broadcast of Channel 4 News from our foyer to mark Back to Black day. We have worked hard to continue to support the National Open Youth Orchestra through the year culminating in a performance of the orchestra at St Georges in Bristol, at the Barbican, The Lighthouse and SAGE Gateshead.

The refurbishment of Bristol Beacon is progressing quickly now with change visible on a weekly basis as the fit-out period progresses. COVID-19 has had a significant effect on the works, but the major structural work is complete and now we are on track for the autumn 2023 opening. We will continue our successful capital fundraising campaign for the project which has now achieved over 96% of target to end May 2022.

We finished the financial year in a positive position with a small surplus as planned, mainly as a result of the successful funding bid to Arts Council England for COVID-19 support. This has enabled us to make a substantial £300k contribution to rebuilding our reserves. We very much hope that we are at the end of COVID-19 restrictions and the consequent major business challenge and uncertainty. Despite the problems of the last two years, our general reserves and trustee designated reserves exceed £1m. This puts us in a good position for 2022/23, our build-up year to

re-opening in September 2023. We expect to know about our ACE revenue funding 3-year settlement in October 2022. We will then complete the planned implementation of our new staff structures together with our business operating systems and procedures ready for the announcement of the autumn 2023 opening season of concerts and activities.

We are grateful for the support of Bristol City Council, Arts Council England, National Lottery Heritage Fund, West of England Combined Authority, HM Treasury and of course the many individuals, organisations and trusts and foundations who have given so generously to support our education work, music promotions and capital campaign.

We are facing the future in a positive fashion as we rebuild the business and the building. We are planning an exceptional program of events to celebrate all that is so wonderful about live music. None of this would be possible without the most remarkable team at Bristol Music Trust led by Louise Mitchell. It is their dedication and hard work that has brought to reality a vision first put forward some eleven years ago when the Trust was established. Without each and every member of the Trust's staff none of this would be possible and we are even more grateful for their amazing support and dedication through all the disruption caused by COVID-19.



**Simon Chapman**  
21 July 2022

## TRUSTEES' ANNUAL REPORT

The Trustees present their report and the financial statements of Bristol Music Trust for the year ended 31 March 2022.

### REFERENCE AND ADMINISTRATIVE DETAILS

#### *Board of Trustees*

The Trustees of the charity (who are also the directors of the company) holding office during the financial year as at 31 March 2022 and subsequently are given below:

| <i>Trustees/Directors</i> | <i>Appointed/Reappointed</i> |
|---------------------------|------------------------------|
| Simon Chapman (Chair)     | 8 Oct 2019                   |
| Tony Cherry               | 8 Oct 2019                   |
| Pat Connor                | 8 Oct 2019                   |
| Craig Gentle              | 19 Oct 2019                  |
| Tanya Lacey               | 8 Oct 2019                   |
| Sandra Meadows OBE        | 8 Oct 2019                   |
| Sonia Mills               | 23 Oct 2017                  |
| Louise Mitchell           | 8 October 2019               |
| Andrew Nisbet             | 5 May 2021                   |
| Timothy Westwell          | 3 Sept 2019                  |
| Cllr Craig Cheney*        | 8 Oct 2019                   |

\*Nominated Trustee (Executive Member for Culture) appointed by Bristol City Council.

#### *Executive Team*

The executive team are responsible for the day-to-day management of the charity:

Louise Mitchell (Chief Executive)  
 Andy Boreham (Head of Marketing)  
 Naomi Easy (Head of Commercial)  
 Nick Craney (General Manager)  
 Phil Castang (Director of Creative Learning and Engagement) (resigned 24 June 2022)  
 Rosa Corbishley (Director of Development)  
 Clare Jack (Chief Operating Officer)  
 Naomi Easy (Head of Commercial)  
 Adam Kent (Director of Creative Learning and Engagement) (appointed from 1 October 2022)  
 Siggie Patchett (Head of Strategic Change)  
 Sarah Robertson (Communications & Special Projects Director)  
 Sophie Whitaker (Head of Finance)  
 Todd Wills (Artistic Director)

*Audit, Risk & Resources Committee*

Tony Cherry (Chair)  
Simon Chapman  
Sonia Mills  
Craig Gentle  
Louise Mitchell

*Creative Learning and Engagement Committee*

Tony Cherry – (Chair)  
Louise Jennings  
Deshni Pyndiah  
Tanya Lacey  
Sandra Meadows  
Lloyd Coleman

*Bristol Beacon Capital Fundraising Group*

Sonia Mills (Chair)  
Rosalind Kennedy  
Andrew Nisbet  
Louise Mitchell  
Chris Seaton

*Bristol Beacon Phase 2 Development Project – Strategic Advisory Group*

Charles Wilson (Chair)  
Sonia Mills  
Simon Chapman  
Louise Mitchell

*Principal address and registered office:* Bristol Beacon  
Trenchard Street  
Bristol  
BS1 5AR

*Registered charity number:* 1140898

*Company registration number:* 07531978

The Trustees have made the following professional appointments:

*Auditor:*

RSM UK Audit LLP  
Chartered Accountants  
Second Floor  
1 The Square  
Temple Quay  
Bristol  
BS1 6DG

*Bankers:*

NatWest  
Bristol City Office  
46-49 Broad Street  
Bristol  
BS1 3EU

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Status & History**

Bristol Music Trust was established to operate Bristol Beacon, to promote music and the arts, and to advance education and appreciation of music and the arts, for the benefit of the people of Bristol and the Southwest of England. The company was incorporated on 16 February 2011 and commenced its operations on 1 May 2011.

Bristol Music Trust is a charity registered in England & Wales (no. 1140898), and a non-profit-making company limited by guarantee registered in England & Wales (no. 07531978). A trading subsidiary, BMT Enterprises Ltd was incorporated on 23 March 2011 as a company limited by shares (wholly owned by Bristol Music Trust) to manage associated commercial activities (and any activities that are "non-primary purpose trading") for the benefit of the charity, and also commenced its operations on 1 May 2011. A cost sharing agreement is in place to ensure that the trading subsidiary pays Bristol Music Trust for its use of Bristol Beacon and other services. All profits of BMT Enterprises Ltd are gift-aided to Bristol Music Trust.

Bristol Music Trust has developed a distinctive and vibrant programme of music and events at Bristol Beacon, and creatively supports young people in Bristol and the Southwest, making music and music learning through its Creative Learning and Engagement (CLE) team. When Bristol City Council's (BCC) Cabinet made the decision to establish Bristol Music Trust as an independent body responsible for managing the Hall in 2011, BCC leased Bristol Beacon to Bristol Music Trust for a 25-year period at a peppercorn rent. The old lease will be replaced with a new 32-year lease from completion of the ongoing re-development. BCC financially supports the work of Bristol Music Trust to deliver its charitable objectives and entrusted services as defined in a Service Level Agreement. In addition, since April 2015, Bristol Music Trust has benefited from Arts Council England investment as a National Portfolio Organisation (in consortium with St George's Bristol) to support the artistic programme and audience development objectives.

On 1 September 2013, the Bristol Arts and Music Service (BAMS) was formally transferred from BCC to become an integral part of Bristol Music Trust as the Music Education Hub for the City of Bristol run by our CLE team. The aim is to deliver an exciting and coherent music educational programme that spans both formal and non-formal music education across the city. The team is based both at Bristol Beacon and at the music centre in Southmead, which is leased to Bristol Music Trust from BCC for a peppercorn rent. The vision of CLE is to work with strategic hub partners to make Bristol the UK Capital of Young People's Music and ensure that every young person has access to music learning activities and a platform for musical expression and participation.

The concert hall is at the beating heart of culture and music in Bristol. The building has been part of the Bristol skyline for 150 years and home to iconic performances by some of the world's leading artists, including The Beatles, Ella Fitzgerald, Bob Dylan, David Bowie and Yehudi Menuhin, leaving lasting memories that live on in people's minds. The first Hall opened to the public on 20 September 1867, but the main auditorium was destroyed by fire in 1898. A second reconfigured hall opened on the site in 1901 and was bought from the Colston Hall Company in 1919 by Bristol Corporation for £65,000, and the building has been the property of Bristol City Council ever since. In 1935 the hall was closed for remodelling with a third hall opening in December 1936, but a further fire in 1945 robbed Bristol of its concert hall once more. The fourth incarnation of the hall, which exists today, was opened in 1951 to mark the Festival of Britain. Funding constraints have meant that limited investment has been made in the building since then.

By around 2005, it was clear to BCC that the hall needed substantial investment if it were to be viable as a 21st century concert and events hall. A project was therefore initiated to create a new foyer building and to refurbish the historic building. It was recognised that this project would require significant funding investment and so the decision was made to split the project into two phases. In



2007-2009, Phase 1 of this project was created by BCC investing £13m alongside £7m from Arts Council England, building a modern foyer containing restaurants, bars and administrative offices as an extension to the Hall. This was designed by architects Levitt Bernstein and built by main contractors Wilmott Dixon and opened to great acclaim in 2009. It was always recognised that there was a need for Phase 2 to completely refurbish the old building. In 2015-16 BCC and Bristol Music Trust (BMT) invested in an extensive, joint investigation and feasibility study which resulted in four redevelopment options being presented by Levitt Bernstein. The partnership was formalised in June 2016 when it was agreed that the project would be managed by BCC Major Projects Team under the supervision of a Project Board with representation from BMT and major funders. BMT would take the lead on fundraising to assemble the funding package to deliver it.

## **Bristol Beacon Redevelopment Phase 2**

The project to transform the hall into a new and inspiring centre where all genres of music and music education activity can flourish started with the closure of the auditoria in June 2018, the commencement of demolition works in October 2018 and the start of reconstruction June 2019. The capital campaign aims both to transform the Victorian building into an international-standard concert hall as well as to create a centre for music education and enterprise and enable Bristol to truly become the UK Capital for Young People's Music. The hall will be a completely accessible major music venue for artists and audience alike.

It is a key strategic aim for the city to harness our cultural, historic, and artistic assets to bring social and economic benefit to the region and to underpin its reputation for creativity, live musical performance, and technological and business innovation. A thriving and dynamic concert hall and music centre is essential to ensure the future success not just of the music industry in the region but also has a fundamental part to play in the success of the creative industries of music, film, design, performance etc, as a whole. The hall's activity, together with our wide-reaching education work, makes Bristol Music Trust a very significant contributor to the regional economy, sense of place, and attractiveness as a visitor destination and place to live and invest. Our show audiences come from across the region (broadly 65% Bristol, 25% the Southwest, 10% other UK destinations) and when fully open, is expected to directly generate gross income of around £11 million in the first full year of operations.

There is a high degree of cross-party and cultural partnership support for this key Southwest project. The capital campaign has now raised over £102 million of the target of £107m, including £54 million committed from Bristol City Council, £5.18 million from HM Treasury, £16.2 million from the Arts Council England, £4.75 million from the National Lottery Heritage Fund, £11.8 million from WECA plus a number of generous individual donations from £25,000 to £1,000,000 and over 450 individual seat sponsorship gifts from across the community.

The project is now progressing well and is on track for opening with a full Autumn 2023 season. The main hall acoustic works are well underway, the balconies are in place, the lift pit to take the stalls seating down to the cellar has been created and the stage steelwork has been installed. In the second hall, much of the decorative plasterwork has been refurbished or replaced, painting is underway and the restaurant area below it is ready for fit out. Our third cellar space now has music practice rooms and the sound booth in place.

## **Organisational Structure**

The non-executive Board of Trustees (directors of the charity) has responsibility for the governance and administration of the charity. The Board meets five times a year and should be composed of no fewer than five Trustees and no more than twelve Trustees (or such other maximum number determined by the Board). The Articles of Association (dated 15 February 2011) provide for there to be up to two Trustees appointed by Bristol City Council out of a maximum of twelve, subject to the number of Council appointed Trustees always being below 20% of the Board, in order to ensure its



independence as an organisation. The Chief Operating Officer, Communications & Special Projects Director and Director of Creative Learning and Engagement are invited to attend Board meetings, and there will be a quorum comprising a minimum of three (excluding Council nominated Trustees) Trustee members.

The Audit, Risk and Resources Committee is a sub-committee of the Board with responsibility for assisting the Board to discharge its duties in the following areas: financial and operational performance and procedures; audit and controls oversight; risk management and compliance; property transactions; annual plans and budgets; investments; and management of reserves. The membership of the Audit, Risk and Resources Committee comprises a minimum of three Trustee members, appointed by the Board of Trustees. The Committee includes the Chair of the Board and the Honorary Treasurer, and the Board appoints the Committee Chair. The Chief Executive, Chief Operating Officer and Head of Finance attend the Committee and a quorum comprises a minimum of two Trustee members. The Committee normally meets four times a year.

The Creative Learning and Engagement (CLE) Committee is a sub-committee of the Board with responsibility for oversight of the educational work of the organisation. Matters of responsibility include: the recommendation of education policy and delivery to the Board for approval; the recommendation of the CLE business plan to the Board for approval; monitoring and evaluation against key performance indicators and the music education hub core and extension roles; and monitoring of safeguarding and financial performance. The membership of this Committee comprises a minimum of three Trustee members (including the Chair of the CLE Committee), appointed by the Board, and independent experts may be invited by the Chair of the CLE Committee with the approval of the Board. The Chief Executive and Director of Creative Learning & Engagement are invited to attend the Committee and a quorum comprises a minimum of two Trustee members. The Committee normally meets four times a year. One of the members of the Committee has specific responsibility for overseeing and reporting on safeguarding issues.

The Capital Fundraising Group is a sub-committee of the Board with responsibility for steering the overall capital fundraising for the Bristol Beacon transformation project including canvassing of political support (national and local government); applying for funds from Arts Council England, trusts and charitable bodies; corporates and corporate finance options; individuals, digital and public fundraising. The members of the Committee, including a minimum of two Trustee members shall be appointed and approved by the Board annually and shall be eligible for reappointment. The Chair of the Committee is appointed by the Board and the Committee may appoint other members with appropriate expertise who are not Trustees. The Chief Executive, Head of Development, and Chief Operating Officer are invited to attend the Committee and a quorum comprises a minimum of three members of which one must be a Trustee of the Board. The Committee will normally meet four times a year.

The project for the Bristol Beacon redevelopment Phase 2 is jointly led by Bristol Music Trust and Bristol City Council and the project is managed by the Bristol City Council Major Projects Team with Executive Director: Growth and Regeneration, Stephen Peacock as Senior Reporting Officer. The BMT Chief Executive represents Bristol Music Trust on the Project Board, with the support of an expert client representative, reporting to the BMT Board of Trustees. As part of the project governance structure, a client Strategic Advisory Group has been established as an expert advisory committee to the Trust, including external experts, trustees and major stakeholders Bristol City Council and Arts Council England. The group reviews project plans and status and advises the Trust on design development, construction, and fit-out of the transformation project to meet agreed client facility requirements. The group is chaired by a specialist advisor to BMT, Charles Wilson. The Chief Executive and Chief Operating Officer are invited to attend. The Committee will normally meet monthly prior to the meeting of the Project Board.

Responsibility for implementation of the Trust's strategy, and the organisation's day to day management is delegated by the Board to the Chief Executive and the executive senior

management team. The Board selects and appoints the Chief Executive and may be involved in the appointment of other key members of the senior management team.

The Trustees are confident that the governance and management structures that have been established are appropriate to the needs of the organisation.

### **Method of Recruitment, Appointment, Election, Induction & Training of Trustees**

#### *Recruitment, Appointment & Election*

Each Trustee is asked to sign a Trustee's Undertaking upon appointment, confirming their willingness to accept the appointment, their understanding of the associated duties and responsibilities, and their willingness to become a member of the charity. The term of office for a Trustee is four years and he or she is eligible for re-election by the Board for one further term of four years. This term may exceptionally be extended by the approval of the Board. The Trustees serve as volunteers and receive no payment for their work for the charity, apart from the BMT Chief Executive who is also a Trustee.

#### *Induction & Training*

All of the Trustees are mindful of their duty to act solely in the interests of Bristol Music Trust and those Trustees who are members/officers of Bristol City Council understand their duty (under company law and charity law) to avoid conflicts of interest. The organisation's articles contain detailed provisions for declaring any interest a Trustee has and managing any conflicts arising from such interests. All of the Trustees are informed of their responsibilities and duties and are provided with appropriate guidance (including the Bristol Music Trust Handbook for charity Trustees) and information to carry these out effectively.

### **Pay Policy for Key Management Personnel**

As directors of Bristol Music Trust, the Board of Trustees consider the Trustees and the executive senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Trust on a day-to-day basis. No Trustees received remuneration in the year, apart from the BMT Chief Executive. Details of Trustees' expenses and related party transactions are disclosed in notes 8 and 24 to the accounts, respectively.

The pay of the Senior Management Team is reviewed annually and is normally increased in accordance with average earnings or inflation. In view of the nature of the charity, the Trustees benchmark against pay levels and specialisms in other comparable arts and charitable organisations of a similar size.

### **Approach to Fundraising**

Our approach to fundraising is to raise funds towards our running costs and capital appeal from private sources including from individuals through voluntary donations. We identify potential individual donors through ticket sales information and through individuals signing up to our regular weekly email update. We also seek funds from major local philanthropists via direct approaches often via our Trustees or other contacts. We obtain grants from trusts and foundations via written applications and corporate sponsorship through providing marketing benefits and outlining corporate social responsibility opportunities. During the year we continued a campaign aimed at the public for our capital project, principally directed at selling seats in the new auditorium.

All our fundraising activity conforms to the standards laid down by the Institute of Fundraising and the Fundraising Regulator, to which we are a signed-up member.

We adhere to the regulator's fundraising promise:

1. We will commit to high standards
2. We will be clear, honest, and open
3. We will be respectful
4. We will be fair and reasonable
5. We will be accountable and responsible.

We have a professional team of fundraisers on our staff and their activity is monitored by the Chief Executive and Chief Operating Officer. During the year we have not received any complaints about our fundraising activity. We do not use intrusive or persistent fundraising approaches.

### **Risk & Corporate Governance Matters**

The Trustees regularly monitor progress against the strategic objectives set out in the agreed business plan. The Audit, Risk and Resources Committee has responsibility to the Board for reviewing in more detail the risks to which the charity is exposed and the corresponding mitigations, and for ensuring an effective risk management strategy is in place. A document setting out the risks, consequences, counter measures and contingencies has been prepared by the executive team and is reviewed on a regular basis.

Principal risks and uncertainties identified for the organisation are as follows:

| <b>Risk</b>  | <b>Mitigation</b>   |
|--|---|
| Ongoing adverse impact of COVID 19 and the cost-of-living crisis on hospitality and cultural businesses may put significant pressure on income from ticket sales, commercial events, music lesson income and food and beverage sales | <ul style="list-style-type: none"> <li>• The team now has 2 years' experience of managing COVID-19 restrictions including social distanced concerts.</li> <li>• Some streamed events will continue.</li> <li>• Covid secure venue measures will be maintained re hygiene and social distancing as required.</li> <li>• Demand for music lessons from Sept 2021 is strong and the on-line academy will continue.</li> <li>• 2021/22 and 2022/23 forecasts adapted to reflect actual income generation.</li> <li>• Surplus in 20/21 plus successful revenue applications to support 21/22, mean the reserve position at YE is c£1m</li> </ul> |
| Public sector arts funding reduces   | <ul style="list-style-type: none"> <li>• A strong bid is expected for increased funding in the next national ACE NPO round from April 2023 onwards based on the investment in the new facilities.</li> <li>• The agreement on BCC SLA funding in the Collaboration Agreement is now finalised. Ongoing budgets include an agreed SLA reduction on opening which continues over 10+ years.</li> <li>• Stronger growth in commercial and voluntary income is planned post-Covid and re-opening based on improved facilities and the new programme</li> </ul>  |
| Event and Trading income lower than budget. Income forecasts post-opening not met.   | <ul style="list-style-type: none"> <li>• Costs have been tightly controlled in closure and Covid period and this will continue.</li> </ul>  |

|  |   |
|--|---|
|  | <ul style="list-style-type: none"> <li>Commercial client bookings are building back well post-Covid with a strong pipeline of enquiries and conversion rate as previously.</li> <li>Until re-opening BMT has negotiated additional income support from the refurbishment project.</li> <li>Commercial business development and investment in marketing is underway to secure ongoing income.</li> </ul> |
| Fundraised income (revenue) is lower than budget   | <ul style="list-style-type: none"> <li>The Development team have launched a new strategy for both revenue and capital fundraising which is meeting targets.</li> </ul>  |
| Inflationary pressure on overheads (energy) and salary costs are underestimated  | <ul style="list-style-type: none"> <li>Reforecasts are done quarterly to identify early energy and other cost increases.</li> <li>Contingency is built into the financial model.</li> <li>Current inflation in the model is 3% for overheads and 5% for salaries in 2022/23 plus a salary review across the organisation.</li> </ul>  |
| Creative Learning and Engagement (CLE) business is not properly integrated into BMT causing inefficiencies and increased costs                           | <ul style="list-style-type: none"> <li>Head of Strategic Change is doing a full operational review to make recommendations for changes to administrative processes and organisation structure.</li> </ul>   |
| Financial bad debt risk has increased since changing the charging model to direct payment from parents for music lessons rather than through schools     | <ul style="list-style-type: none"> <li>New admin system to be fully set up for parents to pay up front for terms lessons and by direct debit</li> </ul>   |
| Succession planning for Board fails to produce strong Chair and diverse Board<br>Executive succession planning fails to secure ongoing strong leadership | <ul style="list-style-type: none"> <li>Current Chair and Board actively engaged in Board succession planning</li> <li>Chair and CEO assessing executive succession planning requirements</li> </ul>   |
| Failure to deliver Capital Transformation Project to time or within budget   | <ul style="list-style-type: none"> <li>Sound project governance structure involving Bristol Music Trust (BMT) and Bristol City Council (BCC)</li> <li>Experienced advisors and contractors</li> <li>Regular review of value management options</li> <li>Legal agreement between BCC and contractor to mitigate the risk to BMT</li> </ul>   |

## AIMS AND ACTIVITIES

### Charitable Aims

Launched in May 2011, Bristol Music Trust is an independent charity with two distinct aims:



The first is to manage the operations of Bristol Beacon, Bristol's largest permanent concert venue, where people have been enjoying music since 1867, developing a diverse musical programme, leading a major capital refurbishment programme, and securing its commercial success. The new building presents a wonderful opportunity to build a diverse concert hall and music centre, comprising a traditional concert hall, a smaller intimate hall, and an inspiring modern foyer.

The second aim is to drive forward music across Bristol and the Southwest of England; working in partnership with city wide organisations, leading on musical education through the CLE team, commissioning new works, supporting local musicians, and promoting music across all communities to build on the vibrant talent already in the city. We want the Bristol music scene to stand out with its own unique culture and internationally renowned reputation.

Bristol Music Trust's vision is to integrate these two aims and put music at the heart of Bristol life, and to lead a strategic, holistic, citywide approach to promoting music so that it flourishes through performance, composition, participation, and education in our communities.

### **Charitable Activities**

Bristol Music Trust manages the operations of Bristol Beacon to provide artistic and educational benefits to the people of Bristol and the Southwest of England. During closure of the auditoria for the redevelopment project, BMT has continued to programme an impressive and varied programme of performance events at over 30 other venues in Bristol and to deliver music education teaching, courses, and facilities to the region. The Trust's aim is to deliver an extensive and high-quality programme of creative performances across a range of musical genres. With a wide-ranging programme, the Trust will attract all age groups and reach out to the many diverse cultures of Bristol.

The FY 2021/22 has seen a gradual rebuilding of the live events business following re-opening of music venues across the city post the start of COVID-19. The commercial business has also gradually been rebuilt and the music education activities have been re-established since September 2021 enabling a small surplus to be delivered overall in the year.

Under the umbrella of Creative Learning and Engagement (CLE), BMT operates the Arts Council England funded Music Education Hub for the City of Bristol as well as delivering many other music education projects. Across the CLE work, BMT aims to work with its strategic partners to deliver a coherent musical educational programme spanning formal and non-formal music education and ensure that every young person has access to high quality music learning opportunities and a platform for musical expression. BMT CLE team leads music education in Bristol, providing expertise and support to schools, community, and cultural organisations, and delivering the National Plan for Music Education to schools and their communities.

CLE work is not affected by the closure of the auditoria for redevelopment since it operates Beacon Music Centre from our Southmead site. CLE and the Trust will continue to work with a variety of partner organisations including performance partners such as the LSO, Bournemouth Symphony Orchestra and the Paraorchestra; education and delivery partners such as Open Up Music and Conductive Music; and other Bristol partners and venues such as St George's Bristol. The Trust will continue to work with a range of partners and to look to expand its partnership arrangements locally and nationally.

The Trust's aims are also to develop a strategic and wider remit in arts and cultural provision in Bristol, working in partnership with other arts partners. The Trust's charitable objects are therefore sufficiently wide to cover the arts in general, and this enables the organisation to advance any other charitable purposes selected by the Trustees. This gives the Trust maximum flexibility to develop its activities over time and include activities such as heritage conservation as the historic Lantern Hall is redeveloped.

## **Public Benefit & Pricing Policy**

The Trustees have taken The Charity Commission's specific guidance on public benefit into consideration in preparing their statements on public benefit contained within this Trustees' Annual Report. The objects of Bristol Music Trust are aimed at the general public in Bristol and the Southwest which reflects the focus of the concert hall and work of the CLE team in benefiting the community in Bristol and the surrounding area.

Charges are currently made to the public to attend performances, and this will continue. Charges will be in line with those charged by other charitable arts organisations and will be set at a level which reflects the ability of the public to pay for tickets. Similarly, charges will continue to be made for some of the educational provision, and these are set at an affordable and benchmarked level. Bristol Music Trust's pricing policy aims to optimise the volume of sales and maximise income while maintaining a range of prices to encourage diverse and more frequent attendances from target groups.

Our headline pricing strategies are:

- Encouraging customers to attend less popular events through motivating price differences and special deals.
- Rewarding frequent customers and stimulating loyalty through members' incentives and multi-buy deals where appropriate.
- Encouraging early booking with early bird deals and by avoiding last minute discounting.
- Promoting accessibility by including lower price tickets and providing concessions for target groups such as young people where possible.
- Encouraging group bookings through group deals.
- Promoting price differentiation in the auditorium through clear and strategic incremental price breaks.

These strategies are varied and adapted for different genres within Bristol Beacon's programme. Applicable pricing is dependent on the individual show, but generally we operate concessions for our International Classical Season targeted at young people, including schemes for under 18s (£1 tickets) and under 25s (£8.50 tickets). 8-25-year-olds are offered free tickets for selected chamber concerts through our Cavatina scheme. We have a variety of other subsidised ticket schemes for young people to encourage attendance at our other jazz, folk and world music promotions.

In addition, several performances and events are free for the public, including regular foyer performances and talks. Many of the educational workshops run by the CLE team are also free to young people. This ensures that people on lower incomes are not excluded from being able to benefit from the charity's activities. Anyone who requires assistance to attend an event at Bristol Beacon is invited to bring a personal assistant or companion who will be admitted free of charge.

## **Relationships with Related Parties**

Bristol City Council originally leased Bristol Beacon (and associated assets) to Bristol Music Trust for a 25-year period at a peppercorn rent. During the redevelopment period, this lease has been surrendered and replaced with a Development Agreement covering the use of the foyer building (not included in the redevelopment project), access to the old building and the terms of the new lease to be entered into on completion of the redevelopment works. The new lease will be for a 32-year term and is at a peppercorn rent. Under its terms, Bristol City Council retains responsibility for structural maintenance and insurance of the whole site. Bristol Music Trust has responsibility



for day-to-day maintenance of the foyer building, contents insurance and all other operational matters.

The operation of Bristol Beacon and related music education activities transferred to Bristol Music Trust under the terms of a Transfer Agreement, with entrusted services to be discharged by Bristol Music Trust defined under the terms of an Entrustment Agreement. Compensation is payable by Bristol City Council for the provision of the entrusted services under the terms of a Service Level Agreement, with funding agreed in advance for a multi-year funding period through a Deed of Variation, to deliver the entrusted services against measurable outcomes.

Bristol Music Trust owns 100% ordinary share capital in the subsidiary company BMT Enterprises Ltd. BMT Enterprises Ltd manages its commercial activities (including catering, hire of conferencing facilities and meeting-rooms at Bristol Beacon, and the provision of box office services to other arts organisations) for the benefit of the charity, and all profits are gift-aided to Bristol Music Trust on an annual basis. A cost sharing agreement is in place to ensure that BMT Enterprises Ltd pays Bristol Music Trust for its use of Bristol Beacon and other services.

## **ACHIEVEMENTS AND PERFORMANCE**

Bristol Music Trust has now been trading for eleven years and is a well-established, artistically curious and financially well-managed organisation, with a national reputation for excellence and innovation, central to the cultural landscape of Bristol and the Southwest. From September 2021, we have been successfully rebuilding our artistic programme and education work following re-opening of the Bristol venues we work in post COVID-19.

### **Bristol Beacon Artistic Programme**

The pandemic continued to have an impact on the programme through much of 2021 and into 2022 with a significant number of shows being rescheduled as they were in 20/21. However, in 21/22 we saw more shows cancelled (c30) rather than rescheduled due to tours becoming unviable for artists due to COVID-19 and travel restrictions, which led to our programme becoming lighter through the Spring and Summer and shifting our focus to other impactful opportunities.

These included a large art exhibition in our Foyer Space – *Super Cool Drawing Machine* – created by numerous relatively high-profile musicians who had created visual art during the lockdown period. We also co-commissioned a new promenade piece called *Smoosh* with the Paraorchestra for two outdoor performances in Filwood in South Bristol in September 2021. The piece was led by Charles Hazelwood and the Paraorchestra with over forty community musicians and dancers playing a "jukebox" of hits through the streets of Filwood. The project was made possible by partnering with Filwood Community Centre who played a leading role in galvanising local interest and support.

Due to the COVID-19 restrictions on venues we also focussed our attention on an ambitious online project called *Intermission* with Bristol band *Scalping* and digital/visual artists *Limbic Cinema*. This involved creating a fifteen-minute interactive film of the Bristol Beacon under construction with a soundtrack created by *Scalping* and featuring the band as moving images/avatars within the film itself. The resulting interactive film led directly to Limbic Cinema receiving a "Ones to Watch 2021" award from the Creative Industries Council.

Other events of scale in 21/22 included two concerts with the London Symphony Orchestra and Sir Simon Rattle at Bath Forum, both of which were live streamed into care homes up and down the country thus reaching thousands of new audiences who otherwise wouldn't have the opportunity to experience this live event.

We also co-curated a weekend of music in tribute to Keith Tippett which took place at St George's involving over sixty musicians. This was a combination of ensembles that had either worked with Keith in the past or ensembles playing his compositions.

## **Creative Learning and Engagement**

### **MUSIC EDUCATION HUB**

The Music Education Hub provides instrumental and singing music lessons in school and out of school across Bristol. In addition, it provides training and CPD for teachers, instruments for schools and inspirational musical experiences all children in Bristol. Although the year was punctuated by continued disruption due to COVID-19, 2021/22 saw a welcome return to live music events for children. A staffing restructure also meant increased capacity and an updating of processes and systems. Engagement with schools and young people is starting to return to pre-COVID-19 levels both at music centres and in primary and secondary schools.

We launched a new music centre for music production and popular/commercial music styles, based at Access Creative College's new city centre campus. The music centre is currently running at full capacity.

The flagship musical programme for primary schools, Earthsong, went from strength to strength, and our '5 A Day Music: A Recovery Resource for Schools', was shortlisted as a finalist for the Music & Drama Education Awards 2022 in the Outstanding Music Education Resource category.

During the year, 71 schools signed-up to the 'Musical Schools Membership' and we provided core and extension services to over 100 schools. Over the next 12 months, we will be reviewing our relationship with schools as we consider the implications of a revised National Plan for Music Education, expected to be launched before the end of the 21/22 academic year.

### **COMMUNITY**

Bristol Beacon's community programme continued to grow with some standout projects which included working with Paraorchestra on the nationally acclaimed street party parade 'Smooosh' and A New Song for Bristol, a project that called on the public to convey their experiences of living in Bristol during the COVID-19 pandemic through words and music. After receiving hundreds of entries from Bristolians of all ages, communities, and backgrounds, we transformed these stories into new musical commissions, collaborative musical projects, and a 42ft visual artwork installed onto the outside of Bristol Beacon.

In terms of our arts and health programme, the social prescribing pilot, Wellbeing Music and Movement continued to develop and become embedded as part of Bristol's 'Thriving Communities' programme. And 'Our Music Club', a project for adults with dementia and their families, continues to steadily grow, with individuals referred through the Dementia Wellbeing Service and through Bristol Beacon's own marketing. We now regularly work with 6 families, each week.

This year we have continued to strengthen partnerships with charities, voluntary groups, social enterprises and local authority support services. The programme has music at its heart but also embraces art, dance, drama and other forms of creative expression. The programme is co-created with Bristol's most underrepresented and historically marginalised communities, redressing representation in our programme.

### **INDUSTRY DEVELOPMENT**

The industry programme continues to 'develop the music professionals of the future', providing industry experiences across a range of performing and non-performative professions, showcasing and promoting the quality of Bristol's music scene. We hold industry events for young people age 16yrs + alongside a series of creative masterclasses. Funding from the PRS Foundation (PRSF) means the Industry Development programme is part of the PRSF national 'Talent Development

Partner Network'. In addition, funding from the National Foundation for Youth Music, enables Bristol Beacon to support talented young performers from Bristol's underrepresented communities to develop their craft and get a foothold in the industry through the newly launched project, Future Proof. Future Proof works with participants from backgrounds currently unrepresented in the music industries on our journey towards the reopening of the venue, so from January 2022 to August 2023. Participants will be matched with an industry professional mentor for 1-2-1 sessions, attend group sessions, get to access Bristol Beacon events across our programme and be provided with a seed-fund budget to explore a creative idea.

## **Organisation**

The Trust has a proven track record of effectively managing the charity's resources, utilising a commercial, value for money approach within an appropriate and robust governance framework to deliver exceptional artistic and educational outcomes for our audiences and young people. An experienced executive team and skilled workforce have brought creativity, passion, and commitment to the work of the organisation, and we have consistently met our strategic objectives increasing both the range and reach of our activities.

We have continued to develop our commercial operations to support the charitable work of the Trust during the closure for redevelopment and COVID-19 impact.

Bristol Beacon is recognised for achieving excellence in our customer service and providing a first-class experience for all our visitors is at the heart of our brand. We continue to work closely with the charity Attitude is Everything to review and improve our accessibility offer.

Partnership working continues to be key to both our artistic and commercial success and underpins our contribution to Bristol's musical, cultural and economic life. We enjoy partnerships with some of the Southwest's most successful businesses and have continued to build on strong public and corporate support for our music and educational activity.

In addition to the support we have received from Bristol City Council, we have raised almost £3.2 million total voluntary funds for our music and education programmes. This is in addition to our capital fundraising. In 2017, KPMG calculated that the economic impact generated by the concert hall in terms of Gross Value Added (GVA) – a measure of the economic value of goods and services generated as a result of the concert hall's activities – and employment (in full-time equivalent (FTE) terms), in 2015/16 was £17.4m. Of this, £11.8m is generated within Bristol itself.

## **FINANCIAL REVIEW**

### **Financial Results**

Bristol Music Trust's eleventh year of activity from 1 April 2021 to 31 March 2022 has resulted in an unrestricted surplus of £54k. The unrestricted net increase in funds was £354,063 on total income of £15,004,403 (2021: £15,318,722). With funds of £702,446 brought forward from 2021 this gives £1,056,509 in unrestricted funds to be carried forward.

There has been a total net decrease in funds over the year of £664,559 due to the timing of CLE grant activity, and grants and donations made to the Bristol Beacon building project. Total fund balances of £3,228,274 (2021: £3,892,833) will therefore be carried forward to the next financial year.

The charity received unrestricted funding of £1,026,000 from Bristol City Council and £248,235 NPO funding from Arts Council England. This was used in full to support the activities of the organisation through the year. Additional unrestricted voluntary funding of £258,341 has been generated for day-to-day activities from unrestricted grants, public donations, corporate sponsorship, and from both the membership and patron schemes.

Total grants of £827,432 (restricted) have been received from funding organisations to support the Trust's music and educational programmes, including the annual music education grant from Arts Council England (£577,436) and the continuation of funding from the Youth Music Foundation (£97,099) to continue our work with disabled musicians through our National Centre for Inclusive Excellence (NCIE) and £84,397 from the Earthsong Foundation to fund whole class music tuition in 13 primary schools across Bristol. We also received £800,000 from the ACE Cultural Recovery Fund for cultural organisations affected by COVID-19, of which £300,000 has been transferred to an unrestricted designated ACE Business Reserve.

In addition, £10,316,620 of grant and donations, drawdown from ACE, NLHF and WECA capital grants have been received in the year for the capital transformation project and £330,173 from private donors and trusts and foundations. Of the income received and restricted capital project funds balances brought forward, £1,796,307 is carried forward after in-year costs of £804,580 for the Trust's own project costs and £10,685,561 allocated for our future project costs and for transfer to Bristol City Council under the terms of the Collaboration Agreement for construction and design costs on the project.

The charity benefited from a gift-aided contribution of £78,646 (2021: £8,582) which represented the net profit of its subsidiary company BMT Enterprises Ltd for the same period. The profits of the trading subsidiary company have arisen from the provision of services in relation to conferencing and meeting-room hire, the Hall stalls and terrace bar and box office services to external arts organisations.

Total net assets (total assets less total liabilities) and charity funds of £3,228,274 are reported as at 31 March 2022 (2021: £3,892,833). Cash at bank and in hand totals £14,584,334 (2021: £16,743,502) of which £554,270 (2021: £496,341) relates to advance ticket sales and £12,540,461 (2021: £14,555,866) relates to the capital transformation project. The Trustees have agreed that the designated Fixed Asset Fund should be increased to cover the net book value of the organisation's fixed assets as at the financial year end (£137,971), and therefore approved a transfer of £24,646 from the General Fund as at 31 March 2022.

We are very grateful to ACE for our successful application to the ACE Cultural Recovery Fund, which has protected our free or unrestricted funds (including Fixed Assets) to £1,056,509. In July 2021 the Trustees agreed to designate part of the general reserves as follows:

- *ACE Business Reserve of £300k* to support forecast income levels of the business, the inherent risks in programme production costs in the core business and to provide for the necessary strength & resilience throughout the transformation project and beyond in support of aims and activities.
- *Programme Reserve £60k* - for additional programming and the re-opening programme to support specific areas to be agreed in the business plan.
- *CLE Reserve £120k*- for additional music community and education programmes to support specific areas to be agreed in the business plan.

### **Reserves Policy**

The total level of unrestricted funds being the General Fund plus Designated Funds (less Fixed Assets fund) as at the end of the year is almost £1m.

The Trustees reviewed the reserves policy during the year and agreed on a long-term strategy to build the charity's general reserves further over time once the building project is complete. It is now proposed to link the reserves policy on the minimum level of free reserves to be retained, to the



business risk register. This identifies the major business risks and likely reserves needed to mitigate or overcome the risks if they occurred.

### **Investments Policy**

Under the Memorandum and Articles of Association, the charity has the power to make any investment that the Board of Trustees sees fit. The Trustees have agreed that cash in relation to advance ticket income for upcoming shows (including commercial hires) be held in a separate Bristol Music Trust bank account from the main operational account to manage the Trust's operational cash flow effectively and transparently. The Trustees have further agreed that cash in relation to restricted income received for the capital transformation project should also be held in a separate Bristol Music Trust bank account until such time it is either used by the Trust to pay for capital project costs or is transferred to Bristol City Council to pay for construction costs for the project.

### **FUTURE PLANS**

We are pleased that our plans for the financial year 2021/22 have mainly been achieved with the rebuilding of all areas of the business post COVID-19 from September 2021. We continued to work with around 30 external venues to promote 130 concerts across the city, having had to cancel around 30 completely. Whilst we are still seeing slower ticket sales with many people booking at the last moment or on the door, we are seeing audiences return in line with industry expectations. Our commercial hire business is experiencing the same pattern and is seeing a very high level of last-minute enquiries for space which we are working hard to convert to sales. Our education work has come back strongly with a lot of demand for lessons and projects. Our challenge in this area is finding sufficient high quality teaching staff. The net result is that we have been able to deliver a small surplus with no need to draw on any of our designated reserves for music education or artistic programming this year.

This puts us in a good position with free or unrestricted funds (including Fixed Assets) of £1m to plan the build-up of the business in 2022/23 ready for opening in September 2023. During the next financial year, we will need to invest significantly in our staff team to ensure they are ready and fully trained for opening. We also plan to invest in a modest but important upgrade to the foyer building to ensure it matches the refurbished auditoria. We have already allocated funding for this from previous unused provisions for the renaming/branding project.

We have modelled different financial scenarios for 2022/23 and for a full 12 months forward and are confident that even if the least advantageous scenario occurs, the business can continue operating towards readiness for opening. The next 12-month period will cover the announcement of the next 3-year settlement of ACE revenue funding in October 2022 and the planned and agreed reduction in BCC revenue funding in 2023/24. Our 4-year business plan financial model to 2025/26 takes the BCC agreement into account and presents 2 possible scenarios for the ACE settlement. The first is a standstill budget where we maintain ACE funding at standstill existing levels, the second is an uplift budget where we are awarded additional funding of £350k/£325k/£300k over the 3-years. We hope to achieve the standstill level of funding and potentially some up-lift, but we also have plans in place if this is not the case. This will largely mean either having to build our investment in the staff team more gradually over the period with a commensurate slower build of the artistic and lettings programme; or trustees deciding to invest from reserves to support key areas.

We have decided to outsource the food & beverage and events catering requirements of the business from re-opening and have appointed Graysons Ltd as preferred supplier on a commission-based contract. They will run all 6 bars in the refurbished venue as well as the new restaurant, the Patrons lounge and all event catering. Bristol Loaf will continue to run the foyer

café for a further 5 years. Graysons are a very experienced contract catering operator and we have fully tested their income budgets against their current business as COVID-19 has receded. Their expectation of income from the contract exceeds the levels of revenue we were achieving in-house and those we had previously budgeted to achieve on re-opening. We are confident that Graysons will achieve their budgets because they are specialist providers with a strong track record and have a central sales team who will support our events business. This income stream will compensate for the planned reduction in BCC SLA payments.

Our business plan scenarios for 2022/23 and 2023/24 for both standstill funding and uplift funding also address the current inflationary pressures in the economy. We have fixed price utility contracts in place to 2023 and have budgeted for increased costs thereafter. In January 2021 we carried out a salary review across the business resulting in salary adjustments to one-third of our roles. Trustees have also awarded a 5% inflationary increase to the remaining staff in 2022/23. Further inflationary increases are allowed thereafter in the budgets. In this way we expect to keep our current high performing team and be able to attract additional staff as we progress towards reopening.

We have invested during the closure period in a number of business improvement projects to increase productivity through increased operational and integration efficiencies. These will all be completed prior to opening and are expected to deliver significant improvements in the way we work, enabling us to deliver more events than previously.

We are well networked in the city to identify any new competitive threats. For several years we have been anticipating the opening of a new Arena in Filton on the Brabazon site. This is expected to be around 5,000 capacity and to be open in 2023/24. We do not anticipate this affecting our business in a major way since the programme will be larger arena rock and pop bands.

The refurbishment project is continuing as planned and we are confident that we will open for a full opening season in autumn 2023. As part of the strategy for delivering the transformation project we will continue to focus on advocacy, communication, and the development of key stakeholder relationships to support our work and fundraising campaign. This will continue with our individual giving campaign, the development of more corporate support, a major benefactor group and building and space naming rights.

### **Trustees' & Directors' Responsibilities in the Preparation of Financial Statements**

The Trustees (who are also the directors of Bristol Music Trust for the purposes of company law) are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group as at the balance sheet date, and of the incoming resources and application of resources, including income and expenditure, for that period. In preparing those financial statements, the Trustees and directors are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP and FRS 102.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements.



- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with Companies Act 2006 and Charities Act 2011. They are also responsible for safeguarding the assets of the charitable company and the group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from the legislation in other jurisdictions.

#### **Auditor**

RSM UK Audit LLP was first appointed during the financial year 2011/12 and have been reengaged for the financial year 2022/23. They have indicated a willingness to continue in office.

#### **Statement as to Disclosure of Information to the Auditor**

The Trustees and directors at the date of approval of this Trustees' Annual Report confirm that so far as each of them is aware, there is no relevant audit information of which the charity's auditor is unaware, and the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report was approved by the Audit Resources and Risk Committee on behalf of the Board of Trustees on 14 July 2022, and was signed on their behalf by:



**Simon Chapman (Chair)**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRISTOL MUSIC TRUST**

### **Opinion**

We have audited the financial statements of Bristol Music Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Group and Company Balance Sheets, the Group and Company Cash Flow Statements and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

### **Basis for opinion**

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the Trustees' Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' responsibilities set out on page 20, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the group and parent charitable company operate in and how the group and parent charitable company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the parent charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating advice received from internal/external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to Keeping Children Safe in Education under the Education Act 2002 and data

protection legislation (General Data Protection Regulation). We performed audit procedures to inquire of management whether the group is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The group audit engagement team identified the risk of management override of controls and income recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates, testing a sample of invoices raised and income recognized in the year to source documentation including contracts, funding agreements and other donation documentation.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Kerry Gallagher*

KERRY GALLAGHER (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
Second Floor  
1 The Square  
Temple Quay  
Bristol  
BS1 6DG  
Date **4 August 2022**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) for the year ended 31 March 2022**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**

|                                    | Notes | Unrestricted Funds<br>2022<br>£ | Restricted Funds<br>2022<br>£ | Total Funds<br>2022<br>£ | Total Funds<br>2021<br>£ |
|------------------------------------|-------|---------------------------------|-------------------------------|--------------------------|--------------------------|
| <b>Income</b>                      |       |                                 |                               |                          |                          |
| Voluntary income                   | 1     | 1,532,576                       | 12,274,225                    | 13,806,801               | 14,969,935               |
| Charitable activities income       | 2     | 973,482                         | -                             | 973,482                  | 203,330                  |
| Other trading activities income    | 3     | 220,481                         | -                             | 220,481                  | 137,078                  |
| Investment income                  | 4     | 3,639                           | -                             | 3,639                    | 8,379                    |
| <b>Total income</b>                |       | <b>2,730,178</b>                | <b>12,274,225</b>             | <b>15,004,403</b>        | <b>15,318,722</b>        |
| <b>Expenditure</b>                 |       |                                 |                               |                          |                          |
| Raising voluntary income           | 5     | 22,558                          | -                             | 22,558                   | 18,405                   |
| Charitable activities costs        | 6     | 2,514,512                       | 1,502,706                     | 4,017,218                | 2,766,052                |
| Other trading activities costs     | 5     | 139,045                         | -                             | 139,045                  | 128,496                  |
| Capital transformation project     | 7     | -                               | 11,490,141                    | 11,490,141               | 11,232,656               |
| <b>Total expenditure</b>           |       | <b>2,676,115</b>                | <b>12,992,847</b>             | <b>15,668,962</b>        | <b>14,145,609</b>        |
| <b>Net income/(expenditure)</b>    | 11    | <b>54,063</b>                   | <b>(718,622)</b>              | <b>(664,559)</b>         | <b>1,173,113</b>         |
| Transfers between funds            |       | 300,000                         | (300,000)                     | -                        | -                        |
| <b>Net movement in funds</b>       | 19    | <b>354,063</b>                  | <b>(1,018,622)</b>            | <b>(664,559)</b>         | <b>1,173,113</b>         |
| Total funds brought forward        |       | 702,446                         | 3,190,387                     | 3,892,833                | 2,719,720                |
| <b>Total funds carried forward</b> | 19    | <b>1,056,509</b>                | <b>2,171,765</b>              | <b>3,228,274</b>         | <b>3,892,833</b>         |

The consolidated statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure for the year derive from the charity's continuing activities.

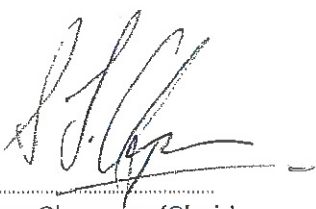


## BALANCE SHEET

|   | Notes | Group<br>2022<br>£ | Group<br>2021<br>£ | Company<br>2022<br>£ | Company<br>2021<br>£ |
|---|-------|--------------------|--------------------|----------------------|----------------------|
| <b>Fixed assets</b>                                     |       |                    |                    |                      |                      |
| Tangible assets   | 12    | 137,971            | 113,325            | 122,220              | 107,557              |
| Investment in subsidiary                                | 13    | -                  | -                  | 1                    | 1                    |
| <b>Total fixed assets</b>                               |       | <b>137,971</b>     | <b>113,325</b>     | <b>122,221</b>       | <b>107,558</b>       |
| <b>Current assets</b>                                   |       |                    |                    |                      |                      |
| Stock   | 14    | 4,786              | 6,297              | -                    | -                    |
| Debtors   | 15    | 834,628            | 1,132,348          | 1,009,647            | 1,117,740            |
| Cash at bank and in hand                                |       |                    |                    |                      |                      |
| - Operational   |       | 1,489,603          | 1,691,295          | 1,332,098            | 1,622,380            |
| - Advanced Ticket Sales                                 |       | 554,270            | 496,341            | 554,270              | 496,341              |
| - Restricted Capital Funds                              |       | 12,540,461         | 14,555,866         | 12,540,461           | 14,555,866           |
| <b>Total current assets</b>                             |       | <b>15,423,748</b>  | <b>17,882,147</b>  | <b>15,436,476</b>    | <b>17,792,327</b>    |
| <b>Total assets</b>                                     |       | <b>15,561,719</b>  | <b>17,995,472</b>  | <b>15,558,697</b>    | <b>17,899,885</b>    |
| <b>Liabilities</b>                                      |       |                    |                    |                      |                      |
| Creditors: amounts falling due within one year          | 16    | (12,233,445)       | (13,982,502)       | (12,230,423)         | (13,886,915)         |
| <b>Net current assets</b>                               |       | <b>3,190,303</b>   | <b>3,899,645</b>   | <b>3,206,053</b>     | <b>3,905,412</b>     |
| <b>Total assets less current liabilities</b>            |       | <b>3,328,274</b>   | <b>4,012,970</b>   | <b>3,328,274</b>     | <b>4,012,970</b>     |
| Creditors: amounts falling due after more than one year | 17    | (100,000)          | (120,137)          | (100,000)            | (120,137)            |
| <b>Net Assets</b>                                       |       | <b>3,228,274</b>   | <b>3,892,833</b>   | <b>3,228,274</b>     | <b>3,892,833</b>     |
| <b>The funds of the charity</b>                         |       |                    |                    |                      |                      |
| Restricted funds  | 19    | 2,171,765          | 3,190,387          | 2,171,765            | 3,190,387            |
| Unrestricted funds                                      | 19    |                    |                    |                      |                      |
| - General fund  |       | 438,538            | 589,121            | 454,289              | 594,889              |
| - Designated funds                                      |       | 617,971            | 113,325            | 602,220              | 107,557              |
| <b>Total charity funds</b>                              |       | <b>3,228,274</b>   | <b>3,892,833</b>   | <b>3,228,274</b>     | <b>3,892,833</b>     |

The parent charitable company made a total deficit for the year of £664,559 (2021: £1,164,534 *Surplus*) including restricted funds and after investing £718,622 in the capital project.

The financial statements on pages 26 to 44 were approved by the Board of Trustees on 14 July 2022 and are signed on their behalf by:



Simon Chapman (Chair)

## STATEMENT OF CASHFLOWS

|   | Notes     | Group<br>2022<br>£ | Group<br>2021<br>£ | Company<br>2022<br>£ | Company<br>2021<br>£ |
|---|-----------|--------------------|--------------------|----------------------|----------------------|
| <b>Cash generated by operating activities</b>     | <b>21</b> | <b>(2,082,299)</b> | <b>10,552,642</b>  | <b>(2,188,726)</b>   | <b>10,705,884</b>    |
| <b>Cash flows from investing activities</b>       |           |                    |                    |                      |                      |
| Interest Income                                   |           | 3,639              | 8,380              | 3,639                | 8,381                |
| Sale of fixed Assets                              |           | 1,120              | -                  | 1,120                | -                    |
| Purchase of tangible fixed assets                 |           | (81,628)           | (3,865)            | (63,791)             | (3,865)              |
| <b>Total cash flows from investing activities</b> |           | <b>(76,869)</b>    | <b>4,515</b>       | <b>(59,032)</b>      | <b>4,516</b>         |
| <b>(Decrease)/Increase in cash for the year</b>   |           | <b>(2,159,168)</b> | <b>10,557,157</b>  | <b>(2,247,758)</b>   | <b>10,710,400</b>    |
| <b>Total cash brought forward</b>                 |           | <b>16,743,502</b>  | <b>6,186,345</b>   | <b>16,674,587</b>    | <b>5,964,187</b>     |
| <b>Total cash carried forward</b>                 |           | <b>14,584,334</b>  | <b>16,743,502</b>  | <b>14,426,829</b>    | <b>16,674,587</b>    |

## ACCOUNTING POLICIES

The principal accounting policies adopted, judgements, and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

### BASIS OF PREPARATION

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (Charities SORP) applicable to charities preparing their accounts and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 January 2019.

Bristol Music Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

### BASIS OF CONSOLIDATION

The group Financial Statements consolidate the results of the parent charitable company and its subsidiary undertaking for the year ended 31 March 2022 using the acquisition method of accounting. Intra group transactions and profits are eliminated fully on consolidation. A separate statement of financial activities, dealing with the results of the parent charity entity only has not been presented as permitted by section 408 of the Companies Act 2006.

### GOING CONCERN

The Trustees have presented the accounts on a going concern basis. In reaching this conclusion, they have reviewed the income and expenditure and cashflow forecast for the financial year 2022/23 together with the budget and cashflow for 2023/24.

For the current financial year 2022/23, the budget shows a break-even position following the return to normal business post COVID-19 from September 2021. For the CLE business, the main Arts Council England grant for the provision of music education services is confirmed for the year.

For the following financial year 2023/24, the budget and cashflow have been prepared for a standstill and uplift position relating to the core ACE revenue grant. They are based on the assumptions of continued growth and building the business throughout the year towards re-opening in September 2023, with tight control on overheads as previously delivered. The budget has been subject to sensitivity analysis by the Senior Management Team and has been drawn on a conservative basis with contingency built in. Both standstill and uplift scenarios show a small surplus.

For both 2022/23 and 2023/24 funds will be drawn down from the refurbishment project to cover project related costs incurred due to the delays in completion of the project. Bristol City Council have confirmed this arrangement in writing. This is in addition to the ongoing SLA for music service delivery that runs until 2035.

The Trustees consider there are no material uncertainties that would cast significant doubt around the Group's and the Charitable Company's ability to operate as a going concern for a period of at least 12 months from the date of approval of the financial statements.

## **CAPITAL TRANSFORMATION PROJECT**

The redevelopment of the Bristol Beacon is subject to and accounted for in line with a Development Agreement with Bristol City Council (BCC) which replaced the previous lease. Under this agreement, the risks and rewards of ownership of the building are retained by BCC so no asset is recognised by BMT at this stage of the project.

Under the terms of the agreement BMT has taken the lead on fundraising for the project and recognises the income received when there is evidence of entitlement, probability of receipt and the income can be reliably measured. The delivery of the project and its associated costs are borne by BCC and expenditure is recognised when costs incurred are invoiced by BCC in line with the agreement.

## **INCOME**

Voluntary income includes our Service Level Agreement payments from Bristol City Council which is of a general nature. Income from grants and donations is recognised when there is evidence of entitlement, probability of receipt and they can be reliably measured. Grant funding received in relation to specific projects (for example education projects) is recognised as restricted funding.

Income from charitable activities includes hall hire income, box office sales from our own promotions, income from our educational activities, and box office booking fees. It is recognised as earned income in the year which the related goods or services are provided. Charitable activity income is deferred when box office sales or bookings are received or invoiced in advance of the performance or event to which they relate. Advance ticket revenue for future lettings, and therefore due to external promoters, is included in deferred income (note 18).

## **EXPENDITURE**

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT that cannot be recovered.

Expenditure on raising voluntary income includes direct and indirect costs associated with our fundraising activity.

Expenditure on charitable activities includes costs associated with the staging of performances, events, and our educational activities, and includes both the direct costs and support costs relating to these activities (including costs incurred in the governance of the charity and its assets).

Expenditure on other trading activities includes costs associated with commercial trading operations (catering, hire of conferencing facilities and meeting-rooms at Bristol Beacon, and the

provision of box office services to other arts organisations) through BMT Enterprises Ltd, and includes both the direct costs and support costs relating to these activities.

Bristol Music Trust leases the Bristol Beacon premises, and certain fixed assets within the Hall at the time of transfer of business operations, from Bristol City Council at a peppercorn rent. It is not considered possible to determine the open market value of the facility and therefore no rental charge has been recognised in the Statement of Financial Activities.

## **TERMINATION PAYMENTS**

Termination payments are payable when employment is terminated before the normal retirement date or end of employment contract. They are recognised when the commitment to payment is made.

## **TANGIBLE FIXED ASSETS**

All tangible assets purchased that have an expected useful economic life that exceeds one year and a value of more than £1,000 are capitalised and classified as fixed assets. Any equipment or assets purchased for less than £1,000 per item will be accounted for as expenditure in the year of purchase. Tangible fixed assets are stated at historical cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value over its expected useful life, as follows:

|                                  |                          |
|----------------------------------|--------------------------|
| Furniture, fixtures and fittings | 3-5 years straight line  |
| Computer equipment               | 3 years straight line    |
| Technical equipment              | 3-10 years straight line |
| Plant & Machinery                | 3-10 years straight line |
| Catering equipment               | 3 years straight line    |
| Musical Instruments              | 10 years straight line   |

Bristol City Council has agreed that assets (catering equipment, technical equipment, plant and machinery, furniture, fixtures and fittings) associated with the running of the Bristol Beacon and contained within the building at the start of the lease will be left at the premises for the term of the new 32 year lease as part of the lease agreement. Ownership of these assets is retained by the Council and these assets (or equivalent assets in the same condition) will be returned to the Council at the end of the lease, and therefore should not be recognised as assets by the charity. It is the opinion of the Trustees that all such assets are of a low fair value and as such would be immaterial to the financial statements. This excludes the Steinway piano which must be maintained by the Trust as part of the lease agreement. Where tangible assets are purchased as replacements they will be recognised as assets by the charity and depreciated in accordance with the policy above.

## **STOCKS**

Stocks are valued at the lower of cost and net realisable value.

## **LEASED ASSETS AND OBLIGATIONS**

All other leases are "operating leases" and the annual rentals are charged to the statement of financial activities on a straight line basis over the lease term.

## **PENSION CONTRIBUTIONS**

The charity has introduced a defined contribution pension scheme for employees with Royal London, and a defined contribution pension scheme for casual workers with the National Employment Savings Trust. The assets of both schemes are held separately from those of the charity. The annual employer's contributions are charged to the Statement of Financial Activities.

Bristol Music Trust employees who were TUPE transferred to the organisation from Bristol City Council retain their membership of the Local Government Pension Scheme (a defined benefits scheme). The assets of the scheme are held separately from those of the charity. The employer's contributions rate was assessed at 14.7% at the time of transfer based upon details of the employees who transferred over. The transfer agreement states that potential increases to this rate (over 17.2%) after future assessments will be covered by a corresponding increase in Bristol City Council grant funding to cap any financial risk to the charity. As such the scheme is treated as a defined contribution scheme in accordance with FRS102 Retirement Benefits.

Bristol Music Trust employees who were TUPE transferred to the organisation as members of the Teachers' Pension Scheme (a defined benefits scheme) retain their membership of this scheme. The company contributes to the Teachers' Pension Scheme at rates set by the Scheme Actuary and advised to the Governors by the Scheme Administrator. The scheme is a multi-employer pension scheme, and it is not possible to identify the assets and liabilities of the scheme which are attributable to the company. In accordance with FRS102 therefore, the scheme is accounted for as a defined contribution scheme. Further details are provided in note 22.

## **FUND ACCOUNTING**

The general fund comprises the accumulated surpluses of unrestricted incoming resources over resources expended, which are available for use in furtherance of the general objectives of the charity.

Designated funds are a particular form of unrestricted funds consisting of amounts which have been allocated or designated for specific purposes by the Trustees. The use of designated funds remains at the discretion of the Trustees.

Restricted funds are funds subject to specific conditions imposed by donors. The purpose and use of the restricted funds are set out in the notes to the accounts. Amounts unspent at the year-end are carried forward in the balance sheet. Due to the material balance of the building refurbishment project, it has been split out into a separate restricted fund in note 19 under the heading 'BB Phase 2 – Capital Transformation Project'.



## NOTES TO THE FINANCIAL STATEMENTS

### 1. VOLUNTARY INCOME

|  | Unrestricted Funds | Restricted Funds  | Total Funds 2022  | Total Funds 2021  |
|--|--------------------|-------------------|-------------------|-------------------|
|  | £                  | £                 | £                 | £                 |
| <b>Core Activities</b>   |                    |                   |                   |                   |
| Bristol City Council – core funding                                      | 1,026,000          | -                 | 1,026,000         | 1,036,000         |
| Music education hub funding  | -                  | 577,436           | 577,436           | 573,807           |
| Other grants   | 317,197            | 800,000           | 1,117,197         | 959,223           |
| Trusts and foundations   | 130,000            | 249,996           | 379,996           | 198,635           |
| Individual donations   | 37,610             | -                 | 37,610            | 65,509            |
| Memberships  | 2,269              | -                 | 2,269             | 1,663             |
| Sponsorship  | 19,500             | -                 | 19,500            | 6,073             |
| <b>Core Activities: voluntary income</b>                                 | <b>1,532,576</b>   | <b>1,627,432</b>  | <b>3,160,008</b>  | <b>2,840,910</b>  |
| <b>Capital Transformation Project</b>                                    |                    |                   |                   |                   |
| Other grants   | -                  | 10,316,620        | 10,316,620        | 11,773,244        |
| Trusts and foundations & other sources                                   | -                  | 330,173           | 330,173           | 355,781           |
| <b>Bristol Beacon Phase 2 - Transformation Project: voluntary income</b> | <b>-</b>           | <b>10,646,793</b> | <b>10,646,793</b> | <b>12,129,025</b> |
| <b>Total voluntary income</b>  | <b>1,532,576</b>   | <b>12,274,225</b> | <b>13,806,801</b> | <b>14,969,935</b> |

Voluntary income was £13,806,801 (2021: £14,969,935) of which £1,532,576 was unrestricted (2021: £2,068,468) and £12,274,225 was restricted (2021: £12,901,467).

### 2. INCOME FROM CHARITABLE ACTIVITIES

|  | Unrestricted Funds | Restricted Funds | Total Funds 2022 | Total Funds 2021 |
|--|--------------------|------------------|------------------|------------------|
|  | £                  | £                | £                | £                |
| Hall and space lettings                        | 10,549             | -                | 10,549           | -                |
| Education activities                           | 599,011            | -                | 599,011          | 193,521          |
| Other event income                             | 363,922            | -                | 363,922          | 9,809            |
| <b>Total income from charitable activities</b> | <b>973,482</b>     | <b>-</b>         | <b>973,482</b>   | <b>203,330</b>   |

Income from charitable activities was £973,482 (2021: £203,330), this was all unrestricted (2021: all unrestricted).

### 3. NET INCOME FROM TRADING ACTIVITIES (BMT ENTERPRISES LTD)

|   | 2022           | 2021          |
|---|----------------|---------------|
|   | £              | £             |
| Turnover                                  | 220,481        | 137,078       |
| Cost of sales                             | (117,369)      | (112,664)     |
| <b>Gross profit</b>                       | <b>103,112</b> | <b>24,414</b> |
| Administrative expenses                   | (24,466)       | (15,832)      |
| <b>Net income from trading activities</b> | <b>78,646</b>  | <b>8,582</b>  |
| Balance brought forward                   | -              | -             |
| Gift aid payment to Bristol Music Trust   | (78,646)       | (8,582)       |
| <b>Retained in subsidiary</b>             | <b>-</b>       | <b>-</b>      |
| Total assets                              | 252,222        | 148,445       |
| Total liabilities                         | (252,221)      | (148,444)     |
| <b>Net assets</b>                         | <b>1</b>       | <b>1</b>      |
| Share capital and reserves                | 1              | 1             |

### 4. INVESTMENT INCOME

|               | 2022  | 2021  |
|---------------|-------|-------|
|               | £     | £     |
| Bank interest | 3,639 | 8,379 |

### 5. COSTS OF RAISING FUNDS

|  | Unrestricted Funds | Restricted Funds | Total Funds    | Total Funds    |
|--|--------------------|------------------|----------------|----------------|
|  | £                  | £                | 2022           | 2021           |
|  |                    |                  | £              | £              |
| <b>Costs of trading activities</b>       |                    |                  |                |                |
| Cost of sales                            | 114,580            | -                | 114,580        | 112,664        |
| Staff costs                              | -                  | -                | -              | -              |
| Other support costs                      | 24,465             | -                | 24,465         | 15,832         |
|  | <b>139,045</b>     | <b>-</b>         | <b>139,045</b> | <b>128,496</b> |
| <b>Costs of raising voluntary income</b> |                    |                  |                |                |
| Direct costs of fundraising              | 22,558             | -                | 22,558         | 18,405         |
|  | <b>22,558</b>      | <b>-</b>         | <b>22,558</b>  | <b>18,405</b>  |
| <b>Total costs of raising funds</b>      | <b>161,603</b>     | <b>-</b>         | <b>161,603</b> | <b>146,901</b> |

The costs of raising funds were £161,603 (2021: £146,901), this was all unrestricted (2021: all unrestricted).

Costs of staff employed in a fundraising capacity are included in support costs of charitable activities (note 6).

## 6. COSTS OF CHARITABLE ACTIVITIES

|   | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total Funds<br>2022<br>£ | Total Funds<br>2021<br>£ |
|---|----------------------------|--------------------------|--------------------------|--------------------------|
| <b>Direct costs of charitable activities</b>  |                            |                          |                          |                          |
| Hall and space lettings                       | 9,237                      | -                        | 9,237                    | -                        |
| Own and co-promotions                         | 420,737                    | 167,922                  | 588,659                  | 47,054                   |
| Education activities                          | 84,988                     | 709,596                  | 794,584                  | 364,403                  |
| Other event income                            | 8,648                      | -                        | 8,648                    | 8,975                    |
|   | <b>523,610</b>             | <b>877,518</b>           | <b>1,401,128</b>         | <b>420,432</b>           |
| <b>Support costs of charitable activities</b> |                            |                          |                          |                          |
| Staff costs                                   | 1,340,034                  | 602,164                  | 1,942,198                | 1,843,878                |
| Premises costs                                | 204,105                    | -                        | 204,105                  | 268,252                  |
| Other supplies and services                   | 350,311                    | 23,024                   | 373,335                  | 146,046                  |
| Marketing costs                               | 96,452                     | -                        | 96,452                   | 87,444                   |
|   | <b>1,990,902</b>           | <b>625,188</b>           | <b>2,616,090</b>         | <b>2,345,620</b>         |
| <b>Total costs of charitable activities</b>   | <b>2,514,512</b>           | <b>1,502,706</b>         | <b>4,017,218</b>         | <b>2,766,052</b>         |

Costs of charitable activities were £4,017,218 (2020: £2,766,052) of which £2,514,512 was unrestricted (2021: £2,029,246) and £1,502,706 was restricted (2021: £736,806).

## 7. COSTS OF CAPITAL TRANSFORMATION PROJECT

|  | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total Funds<br>2022<br>£ | Total Funds<br>2021<br>£ |
|--|----------------------------|--------------------------|--------------------------|--------------------------|
| <b>Direct costs of capital transformation project</b>              |                            |                          |                          |                          |
| Staff costs  | -                          | 48,886                   | 48,886                   | 27,990                   |
| Funds allocated to Bristol City Council for project delivery costs | -                          | 10,685,561               | 10,685,561               | 10,790,737               |
| Direct and indirect fundraising costs                              | -                          | 14,363                   | 14,363                   | 15,145                   |
| Other support costs  | -                          | 741,331                  | 741,331                  | 398,784                  |
| <b>Total costs of capital project</b>                              | <b>-</b>                   | <b>11,490,141</b>        | <b>11,490,141</b>        | <b>11,232,656</b>        |

## 8. GOVERNANCE COSTS

|                 | 2022<br>£     | 2021<br>£     |
|-----------------|---------------|---------------|
| Audit           | 17,200        | 16,000        |
| Accountancy fee | 5,650         | 400           |
|                 | <b>22,850</b> | <b>16,400</b> |

## 9. STAFF COSTS

The average monthly number of persons employed by the charity during the year was as follows:

|                      | <b>2022</b> | <b>2021</b> |
|----------------------|-------------|-------------|
|                      | <b>No.</b>  | <b>No.</b>  |
| Employees            | 95          | 94          |
| Casual workers       | 36          | 32          |
| <b>Monthly total</b> | <b>131</b>  | <b>126</b>  |

Staff costs for the above persons:

|                                      | <b>2022</b>      | <b>2021</b>      |
|--------------------------------------|------------------|------------------|
|                                      | <b>£</b>         | <b>£</b>         |
| Wages and salaries                   | 1,896,022        | 1,611,858        |
| Social security costs                | 153,053          | 123,361          |
| Pension costs                        | 175,941          | 115,621          |
| Agency staff                         | 21,362           | 7,236            |
| Training, recruitment and allowances | 21,813           | 13,792           |
| Termination payments                 | 10,536           | 6,700            |
| <b>Total staff costs</b>             | <b>2,278,727</b> | <b>1,878,568</b> |

Staff costs for the executive team (key management personnel) including employer pension contributions totalled £648,708 for the year (2021: £571,119) for twelve members of staff (2021: eleven). During the year redundancy and termination payments of £10,536 (2021: £6,700) were made to one (2021: one) employee.

Two employees (2021: two) received total emoluments (excluding employer pension contributions) of more than £60,000 within the following bands:

|                    | <b>2022</b> | <b>2021</b> |
|--------------------|-------------|-------------|
|                    | <b>No.</b>  | <b>No.</b>  |
| £60,001 - £80,000  | 1           | 1           |
| £80,001 - £90,000  | -           | 1           |
| £90,001 - £100,000 | 1           | -           |
|                    | <b>2</b>    | <b>2</b>    |

The above employees earning more than £60,000 per annum participated in the Defined Contribution Pension Scheme. During the year ended 31 March 2022, the pension contributions for staff in these bands amounted to £8,178 (2021: £7,081).

The charity has taken out a Trustees' indemnity insurance policy that provides professional indemnity cover for the Trustees of the charity. The cost of this insurance policy to the charitable company for the year was £597 (2021: £597).

None of the members of the Board of Trustees received any remuneration except for the CEO who is remunerated for her role as CEO and not as Trustee. During the year Trustees received reimbursements of personal travel and subsistence expenditure that amounted to £0 (2021: £0).

## 10. DIRECTORS' REMUNERATION

|   | 2022<br>£      | 2021<br>£     |
|---|----------------|---------------|
| Remuneration for qualifying services                          | 95,259         | 80,765        |
| Company pension contributions to defined contribution schemes | 4,763          | 4,029         |
|   | <b>100,022</b> | <b>84,794</b> |

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to one (2021: one).

## 11. NET INCOME/(EXPENDITURE)

|                                | 2022<br>£ | 2021<br>£ |
|--------------------------------|-----------|-----------|
| This is stated after charging: |           |           |
| Depreciation                   | 50,901    | 39,781    |
| Operating Leases               |           |           |
| - Plant & machinery            | 2,656     | 2,993     |
| - Office & equipment           | 8,526     | 9,386     |
| Audit fee                      | 17,200    | 16,000    |
| Stock expense                  | 4,960     | 3,542     |

## 12. TANGIBLE FIXED ASSETS

|                       | Plant & Machinery<br>£ | Office Equipment<br>£ | IT Equipment<br>£ | Fixtures & Fittings<br>£ | Musical Instruments<br>£ | Total<br>£       |
|-----------------------|------------------------|-----------------------|-------------------|--------------------------|--------------------------|------------------|
| <b>Group:</b>         |                        |                       |                   |                          |                          |                  |
| <b>Cost</b>           |                        |                       |                   |                          |                          |                  |
| 01-Apr-21             | 162,421                | 5,322                 | 123,392           | 193,833                  | 3,961                    | 488,929          |
| Additions             | 79,431                 | -                     | 2,197             | -                        | -                        | 81,628           |
| Disposals             | -                      | -                     | (6,081)           | -                        | -                        | (6,081)          |
| <b>31-Mar-22</b>      | <b>241,852</b>         | <b>5,322</b>          | <b>119,508</b>    | <b>193,833</b>           | <b>3,961</b>             | <b>564,476</b>   |
| <b>Depreciation</b>   |                        |                       |                   |                          |                          |                  |
| 01-Apr-21             | (102,586)              | (3,607)               | (80,494)          | (187,534)                | (1,383)                  | (375,604)        |
| Charge for the year   | (29,595)               | (248)                 | (20,823)          | (3,567)                  | (553)                    | (54,786)         |
| Disposals             | -                      | -                     | 3,885             | -                        | -                        | 3,885            |
| <b>31-Mar-22</b>      | <b>(132,181)</b>       | <b>(3,855)</b>        | <b>(97,432)</b>   | <b>(191,101)</b>         | <b>(1,936)</b>           | <b>(426,505)</b> |
| <b>Net book value</b> |                        |                       |                   |                          |                          |                  |
| <b>31-Mar-22</b>      | <b>109,671</b>         | <b>1,467</b>          | <b>22,076</b>     | <b>2,732</b>             | <b>2,025</b>             | <b>137,971</b>   |
| <b>31-Mar-21</b>      | <b>59,835</b>          | <b>1,715</b>          | <b>42,898</b>     | <b>6,299</b>             | <b>2,578</b>             | <b>113,325</b>   |
| <b>Company:</b>       |                        |                       |                   |                          |                          |                  |
| <b>Cost</b>           |                        |                       |                   |                          |                          |                  |
| 01-Apr-21             | 151,798                | 5,322                 | 110,664           | 101,024                  | 3,961                    | 372,769          |
| Additions             | 61,594                 | -                     | 2,197             | -                        | -                        | 63,791           |
| Disposals             | -                      | -                     | (6,081)           | -                        | -                        | (6,081)          |
| <b>31-Mar-22</b>      | <b>213,392</b>         | <b>5,322</b>          | <b>106,780</b>    | <b>101,024</b>           | <b>3,961</b>             | <b>430,479</b>   |
| <b>Depreciation</b>   |                        |                       |                   |                          |                          |                  |
| 01-Apr-21             | (93,423)               | (3,607)               | (70,473)          | (96,326)                 | (1,383)                  | (265,212)        |
| Additions             | (23,652)               | (248)                 | (19,942)          | (2,537)                  | (553)                    | (46,932)         |
| Disposals             | -                      | -                     | 3,885             | -                        | -                        | 3,885            |
| <b>31-Mar-22</b>      | <b>(117,075)</b>       | <b>(3,855)</b>        | <b>(86,530)</b>   | <b>(98,863)</b>          | <b>(1,936)</b>           | <b>(308,259)</b> |
| <b>Net book value</b> |                        |                       |                   |                          |                          |                  |
| <b>31-Mar-22</b>      | <b>96,317</b>          | <b>1,467</b>          | <b>20,250</b>     | <b>2,161</b>             | <b>2,025</b>             | <b>122,220</b>   |
| <b>31-Mar-21</b>      | <b>58,375</b>          | <b>1,715</b>          | <b>40,191</b>     | <b>4,698</b>             | <b>2,578</b>             | <b>107,557</b>   |



### 13. INVESTMENTS

|  | Group<br>2022<br>£ | Group<br>2021<br>£ | Company<br>2022<br>£ | Company<br>2021<br>£ |
|--|--------------------|--------------------|----------------------|----------------------|
| Investment in share capital of BMT Enterprises Ltd | -                  | -                  | 1                    | 1                    |

The above relates to an investment of 100% of ordinary share capital in the subsidiary company BMT Enterprises Ltd (company number 07575415).

### 14. STOCKS

|       | Group<br>2022<br>£ | Group<br>2021<br>£ | Company<br>2022<br>£ | Company<br>2021<br>£ |
|-------|--------------------|--------------------|----------------------|----------------------|
| Stock | 4,786              | 6,297              | -                    | -                    |

The above relates to Bristol Beacon bars and merchandise stock held by the subsidiary company BMT Enterprises Ltd.

### 15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|                          | Group<br>2022<br>£ | Group<br>2021<br>£ | Company<br>2022<br>£ | Company<br>2021<br>£ |
|--------------------------|--------------------|--------------------|----------------------|----------------------|
| Trade debtors            | 97,190             | 95,164             | 48,772               | 30,552               |
| Other debtors            | 288,282            | 247,254            | 287,890              | 247,254              |
| Amounts owed by group    | -                  | -                  | 225,478              | 50,004               |
| Prepayments              | 137,776            | 54,505             | 136,400              | 54,505               |
| Accrued income - Capital | 102,792            | 405,383            | 102,792              | 405,383              |
| Accrued income           | 208,588            | 330,042            | 208,315              | 330,042              |
|                          | <b>834,628</b>     | <b>1,132,348</b>   | <b>1,009,647</b>     | <b>1,117,740</b>     |

### 16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|  | Group<br>2022<br>£ | Group<br>2021<br>£ | Company<br>2022<br>£ | Company<br>2021<br>£ |
|--|--------------------|--------------------|----------------------|----------------------|
| Trade creditors                          | 11,362,332         | 12,881,253         | 11,350,546           | 12,877,688           |
| Other taxation and social security costs | 54,330             | 187,979            | 54,330               | 164,205              |
| Pension contributions payable            | 21,324             | 23,362             | 21,324               | 23,362               |
| Other creditors                          | 67,881             | 78,510             | 61,459               | 77,912               |
| Amounts owed to group                    | -                  | -                  | 23,720               | 2,853                |
| Accruals                                 | 242,002            | 230,191            | 239,747              | 212,034              |
| Accruals - Capital BCC                   | -                  | -                  | -                    | -                    |
| Deferred income (Note 18)                | 485,576            | 581,207            | 479,297              | 528,861              |
|  | <b>12,233,445</b>  | <b>13,982,502</b>  | <b>12,230,423</b>    | <b>13,886,915</b>    |

Trade creditors includes an amount of £10,685,561 of capital fundraising owed to BCC (2021: £12,594,693). Deferred income includes advance ticket income of £470,501 (2021: £449,666). NatWest Bank holds a fixed and floating charge over all assets of the charity. This was registered in 2015.

## 17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

|                         | Group<br>2022  | Group<br>2021  | Company<br>2022 | Company<br>2021 |
|-------------------------|----------------|----------------|-----------------|-----------------|
|                         | £              | £              | £               | £               |
| Long Term Loans         | 100,000        | 100,000        | 100,000         | 100,000         |
| Long Term Finance Lease | -              | 20,137         | -               | 20,137          |
|                         | <b>100,000</b> | <b>120,137</b> | <b>100,000</b>  | <b>120,137</b>  |

The long-term loan is a 6-year loan from the social investment company Resonance Impact Investment through WCS Nominees Ltd. The loan matures annually from 1 October 2022 until 30 September 2024. The Company will make monthly repayments of the borrowings. Interest is charged at 1.75% pa until 1 October 2022 and 2.75% from then until the end of the term. All borrowings are denominated and repaid in pounds sterling.

## 18. DEFERRED INCOME

|  | Group<br>£     | Company<br>£   |
|--|----------------|----------------|
| Balance as at 1 April 2021                           | 581,207        | 528,861        |
| Amount released to income from charitable activities | (581,207)      | (528,861)      |
| Amount deferred in the year                          | 485,576        | 479,297        |
| Balance as at 31 March 2022 (Note 16)                | <b>485,576</b> | <b>479,297</b> |

## 19. ANALYSIS OF CHARITABLE FUNDS

|  | Balance at<br>01-Apr-21 | Income            | Expenditure         | Transfer<br>between<br>Funds | Funds at<br>31-Mar-22 |
|--|-------------------------|-------------------|---------------------|------------------------------|-----------------------|
|  | £                       | £                 | £                   | £                            | £                     |
| <b>Restricted funds</b>  |                         |                   |                     |                              |                       |
| Cultural Recovery Fund   | -                       | 800,000           | (500,000)           | (300,000)                    | -                     |
| Music Education Hub  | -                       | 577,436           | (577,436)           | -                            | -                     |
| Youth Music  | 112,407                 | 78,099            | (129,624)           | -                            | 60,882                |
| EarthSong Foundation   | 48,838                  | 82,647            | (64,914)            | -                            | 66,571                |
| Paul Hamlyn Foundation   | 389,486                 | -                 | (141,481)           | -                            | 248,005               |
| Community Engagement & Industry Development<br>Programme                 | -                       | 89,251            | (89,251)            | -                            | -                     |
|  | <b>550,731</b>          | <b>1,627,433</b>  | <b>(1,502,706)</b>  | <b>(300,000)</b>             | <b>375,458</b>        |
| <b>Restricted funds: BB Phase 2 - Capital<br/>Transformation Project</b> |                         |                   |                     |                              |                       |
| Arts Council Capital Funding   | -                       | 9,723,224         | (9,723,224)         | -                            | -                     |
| National Lottery Heritage Fund   | -                       | 82,395            | (82,395)            | -                            | -                     |
| West of England Combined Authority                                       | 925,277                 | 511,000           | (800,000)           | -                            | 636,277               |
| Other Capital Funding Sources  | 1,714,379               | 330,173           | (884,522)           | -                            | 1,160,030             |
|  | <b>2,639,656</b>        | <b>10,646,792</b> | <b>(11,490,141)</b> | <b>-</b>                     | <b>1,796,307</b>      |
|  | <b>3,190,387</b>        | <b>12,274,225</b> | <b>(12,992,847)</b> | <b>(300,000)</b>             | <b>2,171,765</b>      |
| <b>Unrestricted funds:</b>   |                         |                   |                     |                              |                       |
| General fund   | 589,121                 | 2,730,178         | (2,676,115)         | (204,646)                    | 438,538               |
| Designated funds   | -                       | -                 | -                   | -                            | -                     |
| CLE Reserve  | -                       | -                 | -                   | 120,000                      | 120,000               |
| Programme Reserve  | -                       | -                 | -                   | 60,000                       | 60,000                |
| ACE Business reserve   | -                       | -                 | -                   | 300,000                      | 300,000               |
| - Fixed Assets Fund  | 113,325                 | -                 | -                   | 24,646                       | 137,971               |
|  | <b>702,446</b>          | <b>2,730,178</b>  | <b>(2,676,115)</b>  | <b>300,000</b>               | <b>1,056,509</b>      |
| <b>Total funds</b>   | <b>3,892,833</b>        | <b>15,004,403</b> | <b>(15,668,962)</b> | <b>-</b>                     | <b>3,228,274</b>      |

## 19. ANALYSIS OF CHARITABLE FUNDS (continued)

|  | Balance at<br>01-Apr-20 | Income            | Expenditure         | Transfer<br>between<br>Funds | Funds at<br>31-Mar-21 |
|--|-------------------------|-------------------|---------------------|------------------------------|-----------------------|
|  | £                       | £                 | £                   | £                            | £                     |
| <b>Restricted funds</b>  |                         |                   |                     |                              |                       |
| Music Education Hub  | -                       | 573,807           | (573,807)           | -                            | -                     |
| Youth Music  | 91,257                  | 153,435           | (132,285)           | -                            | 112,407               |
| EarthSong Foundation   | 18,838                  | 30,000            | -                   | -                            | 48,838                |
| Paul Hamlyn Foundation   | 400,000                 | -                 | (10,514)            | -                            | 389,486               |
| Community Engagement & Industry Development Programme                | 5,000                   | 15,200            | (20,200)            | -                            | -                     |
|  | <b>515,095</b>          | <b>772,442</b>    | <b>(736,806)</b>    | <b>-</b>                     | <b>550,731</b>        |
| <b>Restricted funds: BB Phase 2 - Capital Transformation Project</b> |                         |                   |                     |                              |                       |
| Arts Council Capital Funding   | -                       | 1,146,329         | (1,146,329)         | -                            | -                     |
| National Lottery Heritage Fund                                       | -                       | 1,290,915         | (1,290,915)         | -                            | -                     |
| West of England Combined Authority                                   | -                       | 9,336,000         | (8,410,723)         | -                            | 925,277               |
| Other Capital Funding Sources  | 1,743,287               | 355,781           | (384,689)           | -                            | 1,714,379             |
|  | <b>1,743,287</b>        | <b>12,129,025</b> | <b>(11,232,656)</b> | <b>-</b>                     | <b>2,639,656</b>      |
|  | <b>2,258,382</b>        | <b>12,901,467</b> | <b>(11,969,462)</b> | <b>-</b>                     | <b>3,190,387</b>      |
| <b>Unrestricted funds:</b>   |                         |                   |                     |                              |                       |
| General fund   | 157,350                 | 2,417,255         | (2,176,147)         | 190,663                      | 589,121               |
| Designated funds   | -                       | -                 | -                   | -                            | -                     |
| - Bristol Plays Music Fund   | 49,747                  | -                 | -                   | (49,747)                     | -                     |
| - Music Development Fund   | 50,000                  | -                 | -                   | (50,000)                     | -                     |
| - Bristol Beacon Building Fund                                       | 55,000                  | -                 | -                   | (55,000)                     | -                     |
| - Fixed Assets Fund  | 149,241                 | -                 | -                   | (35,916)                     | 113,325               |
|  | <b>461,338</b>          | <b>2,417,255</b>  | <b>(2,176,147)</b>  | <b>-</b>                     | <b>702,446</b>        |
| <b>Total funds</b>   | <b>2,719,720</b>        | <b>15,318,722</b> | <b>(14,145,609)</b> | <b>-</b>                     | <b>3,892,833</b>      |

Cultural Recovery Fund: Arts Council England support for business in the cultural sector affected by COVID-19. Of the £800,000 grant £500,000 was restricted to specific purposes and £300,000 was given to be added to free reserves to support ongoing business activities as decided by Trustees, this amount has therefore been transferred from restricted to unrestricted funds.

Music Education Hub: Arts Council England funding towards the cost of delivery of music education hub activity. Funding is utilised in the financial year to which it relates.

Youth Music: A continuing grant from the Youth Music Foundation has been allocated to support the project to transform music education in Greater Bristol for children and young people with SEND.

Earthsong Foundation: A grant from the Earthsong Foundations to deliver the Earthsong Programme which delivers enriching opportunities for young people who attend 13 primary schools in Bristol.

Paul Hamlyn Foundation: A multi-year grant to support our community development work with hard-to-reach communities to expand music education provision.

Community Engagement & Industry Development Programme : Funds for projects that promote community engagement and the development of new artists.

### **Bristol Beacon Phase 2 – Capital Transformation Project**

The building refurbishment project has received restricted funds from a range of funders including statutory, donations from individuals, corporate sponsorship and grants from trusts and foundations.

National Lottery Heritage Fund: The funding is from the total grant award of £4.75m and was used for heritage and community projects.

West of England Combined Authority: A grant of £11.85m has been awarded for the project and this represents the second instalment.

Other funding received was sourced from Trusts and Foundations, private individuals and corporate sponsors.

### **Unrestricted Designated Funds**

CLE Reserve for additional music community and education programmes to support specific areas to be agreed in the business plan.

Programme Reserve for additional programming and the re-opening programme to support specific areas to be agreed in the business plan.

ACE Business Reserve to support forecast income levels of the business, the inherent risks in programme production costs in the core business and to provide for the necessary strength & resilience throughout the transformation project and beyond in support of aims and activities.

Bristol Plays Music Fund: A designated fund to support the charity's ongoing educational provision including funding for holiday activities and instrument renewal.

Music Development Fund: A designated fund established to support the ongoing creative development of the Bristol Beacon music programme and audience development strategy and to provide mitigation for the associated financial risks of own promotions within a curated programme.

Bristol Beacon Building Fund: A designated fund to support the Trust's planning for Phase 2 – Capital Transformation Project.

## 20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

|                                       | General Fund   | Designated Funds | Restricted Funds | Total Funds      |
|---------------------------------------|----------------|------------------|------------------|------------------|
|                                       | £              | £                | £                | £                |
| Fund balances at 31 March 2021        | <b>589,121</b> | <b>113,325</b>   | <b>3,190,387</b> | <b>3,892,833</b> |
| <b>Group:</b>                         |                |                  |                  |                  |
| Tangible fixed assets                 | -              | 137,971          | -                | 137,971          |
| Current assets                        | 12,771,983     | 480,000          | 2,171,765        | 15,423,748       |
| Current liabilities                   | (12,233,445)   | -                | -                | (12,233,445)     |
| Long term liabilities                 | (100,000)      | -                | -                | (100,000)        |
| <b>Total Net Assets 31 March 2022</b> | <b>438,538</b> | <b>617,971</b>   | <b>2,171,765</b> | <b>3,228,274</b> |
| <b>Company:</b>                       |                |                  |                  |                  |
| Tangible fixed assets                 | -              | 122,220          | -                | 122,220          |
| Investments                           | 1              | -                | -                | 1                |
| Current assets                        | 12,784,711     | 480,000          | 2,171,765        | 15,436,476       |
| Current liabilities                   | (12,230,423)   | -                | -                | (12,230,423)     |
| Long term liabilities                 | (100,000)      | -                | -                | (100,000)        |
| <b>Total Net Assets 31 March 2022</b> | <b>454,289</b> | <b>602,220</b>   | <b>2,171,765</b> | <b>3,228,274</b> |

## ANALYSIS OF NET ASSETS BETWEEN FUNDS PREVIOUS YEAR

|                                       | General Fund   | Designated Funds | Restricted Funds | Total Funds      |
|---------------------------------------|----------------|------------------|------------------|------------------|
|                                       | £              | £                | £                | £                |
| Fund balances at 31 March 2020        | <b>157,350</b> | <b>303,988</b>   | <b>2,258,382</b> | <b>2,719,720</b> |
| <b>Group:</b>                         |                |                  |                  |                  |
| Tangible fixed assets                 | -              | 113,325          | -                | 113,325          |
| Current assets                        | 14,691,760     | -                | 3,190,387        | 17,882,147       |
| Current liabilities                   | (13,982,502)   | -                | -                | (13,982,502)     |
| Long term liabilities                 | (120,137)      | -                | -                | (120,137)        |
| <b>Total Net Assets 31 March 2021</b> | <b>589,121</b> | <b>113,325</b>   | <b>3,190,387</b> | <b>3,892,833</b> |
| <b>Company:</b>                       |                |                  |                  |                  |
| Tangible fixed assets                 | -              | 107,557          | -                | 107,557          |
| Investments                           | 1              | -                | -                | 1                |
| Current assets                        | 14,601,940     | -                | 3,190,387        | 17,792,327       |
| Current liabilities                   | (13,886,915)   | -                | -                | (13,886,915)     |
|                                       | (120,137)      | -                | -                | (120,137)        |
| <b>Total Net Assets 31 March 2021</b> | <b>594,889</b> | <b>107,557</b>   | <b>3,190,387</b> | <b>3,892,833</b> |



## 21. RECONCILIATION OF NET MOVEMENTS TO NET CASHFLOW FROM OPERATING ACTIVITIES

|  | Group<br>2022<br>£ | Group<br>2021<br>£ | Company<br>2022<br>£ | Company<br>2021<br>£ |
|--|--------------------|--------------------|----------------------|----------------------|
| Net movement in fund                   | (664,559)          | 1,173,114          | (743,204)            | 1,164,532            |
| Distribution under Gift Aid            | -                  | -                  | 78,646               | 8,582                |
| Loss of sale of Assets                 | 1,077              | -                  | 1,077                | -                    |
| Dividend received                      | -                  | -                  | -                    | -                    |
| Add depreciation charge                | 54,785             | 39,781             | 46,931               | 36,212               |
| Deduct interest income                 | (3,639)            | (8,380)            | (3,639)              | (8,380)              |
| Decrease/(increase) in stock           | 1,512              | 3,932              | -                    | -                    |
| (increase)/decrease in debtors         | 297,720            | 456,472            | 108,093              | 501,682              |
| (decrease)/increase in creditors       | (1,769,195)        | 8,887,723          | (1,676,630)          | 9,003,256            |
| Cash generated by operating activities | <b>(2,082,299)</b> | <b>10,552,642</b>  | <b>(2,188,726)</b>   | <b>10,705,884</b>    |

## 22. PENSION COMMITMENTS

During the year, the charity contributed to three pension schemes for its employees and casual workers as appropriate, the Bristol Music Trust Pension Scheme, the Local Government Pension Scheme and the Teachers' Pension Scheme. The total cost for the year amounted to £ 175,941 (2021: £117,489).

The charity participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its music tutor employees following the transfer of the Bristol Arts and Music Service staff. The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 2014. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer.

### *Valuation of the Teachers' Pension Scheme*

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The latest actuarial valuation of the TPS was carried out as at 5 March 2019 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The key elements of the valuation and subsequent consultation are:

- Employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge).
- Total scheme liabilities pensions currently in payment and the estimated cost of future benefits of £218,100 million, and notional assets (estimated future contributions together with the proceeds for the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million).
- The SCAPE rate, set by HMT, is used to determine the national investment return. The current SCAPE rate is assumed real rate of return is assumed real rate of return is 2.40% in excess of prices and 2.0% in excess of earnings. The rate of real earnings growth is assumed to be 2.20%. The assumed nominal rate of return is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The pension charge for the year includes contributions payable to the TPS of £51,450 (2021: £91,237). The charity has a charge of £20,000 cash deposit, dated 21 August 2013 in favour of NatWest Bank Plc, sufficient to cover three months' contributions to the TPS.

## 23. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2022, the charity was committed to make total future lease payments under operating leases for each of the following periods:

|   | Group<br>2022<br>£ | Group<br>2021<br>£ | Company<br>2022<br>£ | Company<br>2021<br>£ |
|---|--------------------|--------------------|----------------------|----------------------|
| In respect of plant and machinery leases due: |                    |                    |                      |                      |
| Within 1 year                                 | 9,833              | 6,122              | 9,833                | 6,122                |
| In the second to fifth year                   | 10,296             | 4,046              | 10,296               | 4,046                |
|   | <b>20,129</b>      | <b>10,168</b>      | <b>20,129</b>        | <b>10,168</b>        |

## 24. RELATED PARTY TRANSACTIONS

Detail of the relationship with Bristol City Council is provided on page 14.  
Cllr Craig Cheney (Deputy Mayor BCC) is the nominated Trustees appointed by BCC.  
Louise Mitchell, CEO BMT, is a member of Arts Council England SW Area Council.

During the year the charity made purchases of:

£13,589 (2021: £0) from Nisbets PLC. Andrew Nisbet is a Director of this company.  
£9,945 (2021: £0) from DAC Beachcroft from which Tony Cherry retired as partner on 31 March 2019.  
£950 (2021: £860) from Destination Bristol of which Louise Mitchell is a Trustee.

During the year the charity made sales of:

£6,200 (2021: £8,640) to DAC Beachcroft from which Tony Cherry retired as partner on 31 March 2019  
£0 (2020: £1,265) to Merchants Academy. Andrew Nisbet is a Trustee for this company.  
£6,985 (2021: £5,790) to Cabot Learning Federation. Tony Cherry is a Director of this entity. There was no outstanding balance due in relation to these sales at the year-end.

During the year donations to the Bristol Beacon Phase 2 – Capital Transformation Project received from Trustees totalled £440 (2021: £10,967). During the year further donations of £50,000 (2021: £200,000) were received from Trusts and Foundations controlled by the Trustees.

Bristol Music Trust has a wholly owned subsidiary, BMT Enterprises Ltd (see note 3). Bristol Music Trust charged BMT Enterprises Ltd staff costs of £Nil during the year (2021: £nil). In 2021 BMT Enterprises Ltd transferred its 2021 profits to the Trust as a gift aid payment to the value of £8,582 (2020: profits transferred of £127,485).